



July 2008

## Quickbook Update

As you know, QuickBooks has released a new version for the 2008-2009 year. We have been testing our new QuickBooks Accounting Post Link with the new version of QuickBooks and have found several items of concern.

The structure of QuickBooks in relation to tax codes has changed considerably. In particular, there is a bug in the new QuickBooks that has considerably delayed the release that has stopped us in extracting the correct tax rate for sales and purchases. We have informed QuickBooks twice now but as yet, have not received a reply.



As a workaround, we are going to assume that you set up a GST sales tax code with a GST sales tax item in QuickBooks for sales and an NCG sales tax code with an NCG sales tax item for purchases.

We have tested the above this week and TSM 6.709k / 6.807a Beta 5 are now released and ready for use.

We have also noted that QB 2008/09 must now be open with the correct company file while running the QuickBooks link. This will almost certainly mean that you will no longer be able to automate the link via the Windows Scheduler. This is not a TSM limitation but a new limitation imposed by QuickBooks itself.

Since the 2008-2009 Tax Tables are available for use with Quickbooks 2007/08, we recommend that you do not rush to install QuickBooks 2008/9 unless you feel the need to do so until we have had some time to receive an update from QuickBooks to fix the bug mentioned above. We are confident that the link works however are aware of potential problems with tax codes if they are not set up exactly as the workaround expects them to be



## How Critical Is Inventory Control?

Welcome to the 3rd installment concentrating on the impact of poor inventory control on your profitability.

One of the biggest inventory costs for a company is the hidden cost of inventory. Every day that goods sit on

your shelves cost you in interest on the money paid. Therefore it is important to minimise the time that goods sit idle on the shelf by effectively managing the size and value of your inventory. You need to find the balance between always running out of stock because of insufficient inventory and having way too much inventory to cater for those just in case scenarios.



Due to the high cost of parts and storage, many automobile manufacturers run a just in time inventory which ensures that there are just enough parts in stock to keep the assembly line running depending on what is being built. A stock shortage in even a small part will bring the whole assembly line to a halt. Not only does this reduce their capital interest cost, it also reduces their storage costs since they need much smaller warehouses to store the items.

Now I am not suggesting you run your business as an assembly line but you should think about which items are absolutely essential to stock and in what quantities and where you set your reorder point. A good inventory management system should be able to tell you which are your fast moving items which you need to hold more stock of. The rest can be kept at low levels or even ordered in or purchased directly from the store while on the job.

As mentioned already, the trick is to strike the correct balance between having everything at your fingertips with the associated interest cost of doing so and having nothing available with the costs of delays and timeouts purchasing the goods.

In addition, think about where your stock is. Just because you don't have any in the warehouse doesn't mean that you don't have it in one of your technicians van's. Why purchase a new one when you can transfer it from one van to another? A good inventory management system can inform you of current stock levels in warehouse and technicians vans and provides historical purchasing information for improved inventory planning. Get used to looking at your stock holding as the sum of its parts rather than many different warehouses.



Another area to be watched is Black Stock. Often, parts are purchased for a job but not completely used. This stock should be returned to stock for reuse later. However, this often does not take place. In effect, the stock disappears into a black hole. There are many reasons for this including incorrect documentation of quantity used, staff pilfering, lost stock etc.

As an example, imagine that a 100m roll of electrical wire was purchased for a quoted job but only 75% was used. The additional 25% should be available for reuse on other jobs. If the wire was returned, the next job requiring 100m of wire would only require 75m to be purchased. Of course the customer would still be quoted the 100m roll rate because that is what they require. Now assume for this example that wire costs \$1 per metre, the wire would only cost \$75 to purchase instead of \$100, a direct reduction in costs of 25% and this goes directly to the profitability bottom line.

Now multiply this out over many jobs in the year and you can start to see considerable savings recovered.

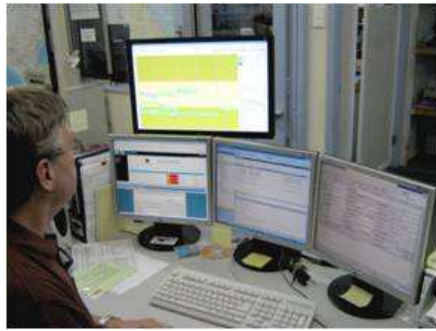
Your inventory management system should let technicians add parts usage directly to the jobs in the field, updating your inventory database in real time. A report on quantity used vs quantity ordered combined with regular van stock takes could be used to reconcile the stock you actually have left in the Van and identify obvious discrepancies.

In the next installment, we will begin to look at issues impacting on productivity.

## TSM At Work!

*"Why have 4 staff when all you need is 4 screens?"*

Now you can double your field service staff without increasing administration



This is an actual set-up of the dispatch centre from one of our customers long time customers, Meridian 150 Pty Ltd. The screens are configured as follows: The 24" top screen, is to run Visual Scheduler/Job Centre. The LHS runs either Internet Explorer or Word/Excel. The Middle one runs Outlook and the RHS runs an Active session of TSM. And what you can't see is the TSM XML processor running in the background processing inbound SMS / Email messages directly into TSM. This is TSM at work,

making service operations like that of Meridian's smooth and seamless to increase productivity and profitability!

Thank you for the photo Danny!



**Don't forget about the TSM user forum!**

With over 170 members, it is a great place to get support or tips on TSM from colleagues in your industry and others. If you have any features that you would like to see in TSM, please post your idea in New Features Suggestions section of the forum. You can also find out if others also think this is a good idea!

Check it out now:

<http://www1.theservicemanager.com/tsmforum>



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